

Six Reasons Not to Fund the Purple Line

The Purple Line in Maryland is a controversial project and is currently on hold due to a federal court order¹. Six of the many reasons not to fund this irresponsible project include:

1) SKYROCKETING COSTS: TOTAL COSTS HAVE BALLOONED TO \$6.2 BILLION, "TAKING TAXPAYERS FOR A RIDE"

- Judge Leon in his ruling questioned “whether nearly a billion dollars in federal dollars should ultimately be committed to a project for which serious questions have been raised as to its future viability.”²
- The projected capital cost was \$1.2 billion when, in 2008, the Maryland Transit Administration (MTA) and then-Governor Martin O'Malley chose "light rail"³ as the Preferred Alternative for its proposed local Purple Line, even though more cost-effective bus alternatives were available according to the Alternatives Analysis.
- That capital cost doubled to \$2.4 billion by 2013. When he ran for governor in 2014, Larry Hogan called the Purple Line a “disaster” – stating "costs had spiraled out of control, with no end in sight." ⁴
- MD Transportation Secretary Pete Rahn convinced Governor Hogan to continue in Gov. O'Malley's irresponsible tracks and sign a \$5.6 billion contract for the project's construction and operation - one of the largest such contracts in the nation, and one that would, if it goes forward, oblige the state to pay no matter what the circumstances (just like a bond)⁵. Secretary Rahn pushed the contract even as the project faced scrutiny in federal court for its lack of transparency in the ridership projections necessary to secure federal funding, among other counts.⁶
- Adding on an estimated \$600 million in other costs outside of the contract, the total cost will reach at least \$6.2 billion over the concession period. This exorbitantly costly project would never be built in the absence of federal funding.
- A Cato Institute/Maryland Public Policy Institute analyst called the Purple Line "a boondoggle"⁷, and a Wall Street Journal expose declared it "a colossal waste of money," "taking taxpayers for a ride"⁸.

2) CANNIBALISM: THE PURPLE LINE ILLEGALLY CANNIBALIZES TRANSIT BY ROBBING PETER TO PAY PAUL

Federal transportation law (49 U.S. Code § 5309(f)(1)) requires that - before the federal government grants any funds to a new project like the Purple Line - "local **resources [be] available to recapitalize, maintain, and operate the overall existing and proposed public transportation system,** including essential feeder bus and other services necessary to achieve the projected ridership levels **without requiring a reduction in existing public transportation services or level of service** to operate the project."

Given that:

- The financial problems and operational crisis of the Metrorail and Metrobus system (WMATA) serving the metropolitan DC, Maryland and Virginia region continue unabated,
- Maryland has the 7th worst infrastructure in the country, according to CNBC, and the American Society of Civil Engineers has concluded that one in nine U.S. bridges are "structurally deficient,"⁹
- Maryland plans to rob MARC (Maryland's commuter train network) fare revenues (and riders from across Maryland's northern, western and eastern borders) to pay for Purple Line debt¹⁰,
- On-going and proposed cuts in bus service¹¹, and the postponement or diversion of funds promised for improvements in the existing local system, and more,

it is clear that the common-sense, maintain-existing-systems-first requirement of the law cannot be met. Moreover, technical advances make the Purple Line even more obsolete than it was in 2008 when the assessment of alternatives revealed more effective and less harmful bus alternatives.

3) FAUX P3: MTA TOUTS THE PURPLE LINE AS A PUBLIC PRIVATE PARTNERSHIP (P3) - BUT A P3 IT IS NOT

- The Purple Line does NOT mobilize significant private funds. **Construction would be funded 94% by government**, with only 6% by the private partners (who would then be repaid by Maryland through taxpayer-guaranteed annual availability payments). This is almost entirely a government-funded project.
- In a true P3, the private party bears at least some risk - but the faux Purple Line P3 does not expose the private operator to any risk should the number of projected riders not materialize. The private party is

paid the same regardless of ridership and project viability.

4) STATE OF DEBT: CREATES A 40% *DE FACTO* INCREASE IN MD DEBT

- Maryland is responsible for \$4.6 billion of the \$5.6 billion Purple Line contract. This constitutes a nearly 40% increase in fixed financial obligations, or *de facto* debt – one of the largest in Maryland history.¹²
- Maryland's ability to cover the contract's "availability payments" over the next 36 years remains questionable. Even in the State's overly optimistic ridership forecasts, fare revenue covers only about 30% of the guaranteed payments to the private concessionaire. The private concessionaire will be paid even if the riders don't show up. And the costs of the Purple Line are likely to increase.
- All this, **at a time when a) the Governor is proposing budget cuts to vital state programs,¹³ b) Metro is demanding dedicated funding, and c) the state is hard-pressed to cover other infrastructure needs and vital social, education and other services.**

5) GRIDLOCK: WILL NOT ALLEVIATE TRAFFIC CONGESTION

- **MTA itself admits that most Purple Line riders would already be transit users** and that the Purple Line is not designed to reduce congestion or take a significant number of cars off the road.¹⁴
- **The Purple Line fails to address the top congestion priorities in Maryland and in Montgomery County.** The Purple Line is designed to run East-West, but the most congested roadways (including MD-355 Rockville Pike/Wisconsin Ave and MD185 Connecticut Avenue) run North-South as commuters well know. Montgomery County's own Mobility Assessment reports have confirmed repeatedly in recent years that the top congestion problems are north-south.¹⁵
- Nearly 13 of the 16 miles of the Purple Line's double train tracks would run on existing streets and avenues - taking away available lanes and worsening local traffic on those roads and at intersections.

6) ENVIRONMENT, PUBLIC HEALTH, WORKING POOR WILL SUFFER

- **The Purple Line would clear-cut 48 acres of forest,** by MTA's own impact estimates, including about 20 acres of forest buffer along the Georgetown Branch section of the Capital Crescent Trail which runs from Bethesda through Rock Creek regional park and beyond.

- **The project would generate polluted stormwater runoff that cannot be fully contained onsite and could also carry hazardous materials from 229 mid to high-risk sites along the route,** flowing into the Rock Creek and Anacostia River watersheds. Not revealed until months after the Impact Statement was final is the fact that the private consortium would have to develop and implement evacuation plans and routes in case they lose control of these hazardous materials during or after construction.¹⁶
- **In Prince George's County,** to the extent the Purple Line triggers any additional development (other than what will continue to take place along the two Metro lines the Purple Line would cross), this would largely consist of **shifts away from still under-developed transit centers elsewhere in the County, which has 15 Metrorail stations and 70 bus routes.**¹⁷ Meanwhile, many lower-income workers and residents along the planned Purple Line route are being priced out of homes and businesses - in which case the Purple Line doesn't benefit them at all.¹⁸
- At half of the operating cost of the Purple Line - and avoiding this environmental and social harm - modern, safe buses, made in America, could serve the routes better than they did until their service was recently cut and could even be provided for free across both Counties, spurring further transit use, cutting pollution, and serving those who need transit the most.¹⁹

Prepared by Friends of the Capital Crescent Trail, April 18, 2017. For further information see www.savethetrail.org or email johnmfitzgerald@earthlink.net.

¹ Order issued August 3, 2016, The judge reiterated his suspension of the project pending review in his order of November 22, 2016. Friends of the Capital Crescent Trail et al. v. Federal Transit Administration et al. Case No. 14-cv-01471

² Page 9, https://ecf.dcd.uscourts.gov/cgi-bin/show_public_doc?2014cv1471-96.

³ The "light" in light rail refers to passenger capacity: trains are very short so the capacity to move people is much lower. <https://www.cato.org/publications/testimony/ftas-capital-investment-grants>

⁴ <http://www.bethesdamagazine.com/Bethesda-Beat/2014/Purple-Line-Now-A-Political-Football-In-Competitive-Gubernatorial-Contest/>.

⁵ https://www.washingtonpost.com/local/trafficandcommuting/maryland-board-scheduled-to-vote-wednesday-on-56-billion-purple-line-contract/2016/04/06/7a397f82-fb44-11e5-9140-e61d062438bb_story.html

⁶ February 2016, <http://savethetrail.org/news-releases/fcct-federal-lawsuit-against-purple-line-takes-another-step-forward/>

⁷ <http://www.mdpolicy.org/research/detail/the-purple-line-no-thanks;>
<https://www.cato.org/publications/commentary/five-things-know-about-purple-line>

⁸ <http://www.wsj.com/articles/mary-anastasia-ograde-marylands-incredible-purple-people-mover-1403910560>

⁹ CNBC <http://www.cnbc.com/2016/07/12/crumbling-america-10-states-with-the-worst-infrastructure.html?slide=1> and American Society of Civil Engineers 2017 Report Card.

¹⁰ https://www.washingtonpost.com/local/trafficandcommuting/maryland-will-use-marc-fare-revenue-to-pay-purple-line-debt-officials-say/2016/04/04/7f2fa850-fa8f-11e5-80e4-c381214de1a3_story.html?utm_term=.3b3b5de22936

¹¹ For example, <http://wtop.com/tracking-metro-24-7/2017/01/metro-riders-weigh-proposed-budget/>

¹² https://docs.google.com/viewerng/viewer?url=http://savethetrail.org/wp-content/uploads/2016/03/Letter-to-BPW-PFranchot-on-PL-financing-3-15-2016-2.pdf&hl=en_US

¹³ *Washington Post* 1/18/17, https://www.washingtonpost.com/local/md-politics/critics-gov-larry-hogans-budget-wont-be-painless-after-all/2017/01/18/3662e3a8-dd0b-11e6-acdf-14da832ae861_story.html?utm_term=.51747f0b3baf; and *Baltimore Sun*, 4/17/17

¹⁴ From MTA response to public comments in the Record of Decision, Attachment C, page 84, and Plaintiffs Brief, pages 11, 12, 13, citing the Administrative Record for the case, https://docs.google.com/viewerng/viewer?url=http://savethetrail.org/wp-content/uploads/2016/05/Friends-et-al.-Supp.-Memo-June-29-2016.pdf&hl=en_US

¹⁵ See Top 25 Congested Roadways, Table 1, page 19, *Montgomery County 2017 Mobility Assessment Report* at http://montgomeryplanning.org/wp-content/uploads/2017/02/2017MobilityAssessmentReport_web.pdf and Table 5, page 26 *Montgomery County 2014 Mobility Assessment Report* at [http://www.montgomeryplanning.org/transportation/documents/Mobility%20Assessment%20Report%202014%20-%20\(6-3-2014\).pdf](http://www.montgomeryplanning.org/transportation/documents/Mobility%20Assessment%20Report%202014%20-%20(6-3-2014).pdf)

¹⁶ See MTA FEIS map of high to medium-high hazardous materials sites in page 66 and excerpts from Purple Line Request for Proposals amended MTA Request in Appendix F, pages 74-75, Stormwater Runoff Report of FCCT et al., https://docs.google.com/viewerng/viewer?url=http://savethetrail.org/wp-content/uploads/2015/10/FCCT-Purple-Line-Stormwater-Report-September-2015.pdf&hl=en_US Additional harmful impacts from massive construction and from the line itself on parks, historic sites and wildlife and habitat; safety concerns; noise; health impacts from loss of green space; air pollution from Maryland's electricity mix to run the line, were inadequately addressed, if at all, in the assessment process and are entirely avoidable with less costly and more effective alternatives.

¹⁷ Bradley Heard, Capitol Heights, MD, *Purple Line (Maryland) Light Rail Project Request for Supplemental Environmental Impact Statement*, <http://savethetrail.org/wp-content/uploads/2017/03/9-20170220-Bradley-Heard-Ltr-to-FTA-Requesting-SEIS-Purple-Line.pdf>

¹⁸ https://www.washingtonpost.com/news/dr-gridlock/wp/2017/01/24/report-purple-line-threatens-affordable-housing-in-langley-park/?utm_term=.8afbc5968b83.

¹⁹ <https://aneconomicsense.org/2014/09/28/the-high-cost-of-the-purple-line-light-rail-transit-project-free-bus-service-would-be-cheaper-for-everyone-and-provide-a-better-service/>